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Developer has big plans for industrial property in South San Francisco

BYLINE: Christine Morente

A Chicago-based developer plans to use a former government-operated distribution center as a carrot to entice industrial companies out of the city's biotech zone.

Centrum Properties recently announced its plan to modernize SFO Logistics Center at 1070 and 1080 San Mateo Ave.

Renovations are expected to begin within a few months after the city's environmental impact report is complete and the master use permit is approved.

It would be the largest facility to enter the market in recent years as new space, according to Jason Barnett, a spokesman for Centrum.

Much of the land east of Highway 101 has been zoned for research and development, but there are still industrial and distribution companies that were grandfathered into the area. According to Michael McLean, vice president for development of Centrum Properties, those businesses are in buildings that could be transformed into high-tech labs and office space. And the Logistics Center, close to the San Bruno border, could be their new home.

"We really believe in South San Francisco, and we think the city's been really progressive and really forward-thinking in fostering the biotechnology industry," McLean said Friday. "We'd like to be invested in that success."

The Logistics Center is 572,000 square feet and sits on 26 acres. Last year, Centrum and its equity partner Angelo, Gordon & Co. bought the nearly 60-year-old property for \$36.5 million from the **U.S. General Services Administration**. McLean said the agency is still on the property, along with the U.S. Postal Service and the Drug Enforcement Administration.

The \$23 million project would seismically upgrade the facility, and add 32 truck loading docks and a truck court. Five new buildings each about 10,000 square

feet also would be built as needed. The project is expected to be completed and available for lease in October.

Marty Van Duyn, director of the Economic and Community Development Department for South City, said having almost 600,000-square-feet of designated light industrial space is unique in San Mateo County.

"(This project) should improve what was there before," Van Duyn said. "We wish them all the luck in this marketplace. We're hopeful they'll be able to stimulate good jobs and good activity out there."

Anywhere from four to 10 companies are expected to occupy the space. A few have already expressed interest in moving in.